

Public Act 89-115, effective January 1, 1996, provides that computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the Retailers' Occupation Tax, to a hospital that has been issued an active tax exemption identification number by the Department are exempt from the Retailers' Occupation Tax. 35 ILCS 120/2-5(28). (This is a GIL).

January 25, 2000

Dear Xxxxx:

This letter is in response to your letter dated January 7, 2000. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

I am writing to request a written opinion as to whether or not a tax exempt nursing home would fall under the definition of 'hospital' as used in Informational Bulletin 96-17, a copy of which is attached. We will be leasing computer equipment to ORGANIZATION and are unsure as to the taxability of the equipment on this lease. I am also enclosing a copy of their exemption certificate.

Should you need further information, please contact me at #####. Thank you for your anticipated prompt response.

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This exemption applies only to hospitals that have been issued active tax exemption identification numbers by the Department. It does not apply to exempt nursing homes or similar entities.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

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If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk
Enc.